

SPEAKER NICHOL: Senator Pappas.

SENATOR PAPPAS: Mr. Speaker, colleagues, Senator Chambers asked a lot of questions and Senator Chambers has been here a lot longer than I have and I am quite sure Senator Chambers has heard that famous quotation, "Trust me". The thing I would like to talk about, I don't know, I am quite sure many of you have realized and watched in the papers last month or so about the large number of problems that we have in the financial situation of the farmers, the people in agriculture. You have seen four PCA's in the State of Nebraska, up by O'Neill, Norfolk, Broken Bow and Valentine. They have financial problems, some of these. And what they are trying to do is merge. The reason they merge is to increase the assets. As more and more of these rural banks have problems, their assets decrease, farmers have problems. They lose that debt-asset ratio. Their banks are almost forced to close them out. In the process they become more and more on the brink of insolvency. They have so much reserves to cover these bad debts and as they take the bad ones that go down they start to jeopardize the good ones. Now last year when the bill was passed, there was not a run on large banks to buy small rural banks. Now this bill will help prevent a further decline in the farm economy in the financing of agriculture situations, and this is why I urge to pass this bill as quickly as possible. Thank you.

SPEAKER NICHOL: Senator Eret, then Senator Howard Peterson.

SENATOR ERET: Members, the emergency action being taken on this bill is designed to save some bankers. I have a thousand broke farmers out there that nobody cares about. I...the concern is to save those bankers. Two years ago this body removed the usury limit from interest rates to save those bankers. Today we are changing the law to save those bankers from a bunch of farmers who have gone broke paying those high interest rates. A few years ago this Legislature enacted a similar measure called NDIGC to insure some credit unions. Then a couple years later the law was tinkered with to let some investment companies in on NDIGC. You know by now the deal that got us into. Now we are tinkering with statutes that were passed just last year.